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**Smaller businesses feel the pinch as uncertainty around Brexit bites**

InterTradeIreland’s latest all-Island Business Monitor (Q3 2019) reveals the business environment remains positive, with 46 per cent of companies across the island reporting growth, while a similar amount are stable (44 per cent).

However, these overall figures mask some worrying signs for small firms and the construction sector in particular- which is viewed as a bell weather for the economy.

This is starkly set out by the fact that nearly three in ten micro businesses report they are just breaking even at best, while the outlook for construction has softened, with one in four firms experiencing a decrease in sales this quarter.

Not surprisingly, Brexit remains the single biggest challenge with the continued uncertainty having a tangible negative impact on rising numbers of firms. Over a third (37 per cent) of firms across the island say that Brexit is having a negative impact on their business. This is almost double the number of business compared to this time last year (the figure was 18 per cent in Q3 2018).

The number of firms stepping up to the challenge and getting ready as best they can for Brexit is increasing, with 28 per cent of cross-border traders reporting they have taken mitigating action particularly in areas such as supply chain (51 per cent), contracts (46 per cent) and cash flow (50 per cent).

Aidan Gough, InterTradeIreland’s Designated Officer and Director of Strategy and Policy said: “InterTradeIreland is obviously concerned with the rising negative impact of Brexit on business performance but reassured to see more cross-border SMEs start to prepare. We encourage more businesses to avail of the supports available to them including InterTradeIreland’s on-line learning resources and funding of up to £4,500/ €5,000 to help with expert advice."

“Although Brexit remains the single biggest challenge facing businesses we would also draw businesses attention to the challenges and opportunities of new technology. Our latest survey shows that 70 per cent of businesses across the island do not think that changes in digital technology will have an impact on their business in the next 12 months. This is despite the fact 16 per cent have already upgraded to new smarter technologies over the past year while a further 16 per cent intend to do so over the next year. While not losing sight of the elephant in the room which is Brexit, InterTradeIreland is also focused on helping SMEs innovate and prepare for the challenges and opportunities of the future,” Aidan added.

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**Notes to Editors:**

InterTradeIreland’s quarterly Business Monitor survey, which commenced in 2008, is the largest and most comprehensive business survey on the island and is based on the views of more than 750 business managers across Northern Ireland and Ireland. The Business Monitor differs from other surveys in being the ‘voice of local businesses’ feeding directly from telephone interviews conducted with firms of all sizes from across a range of sectors to track all-island economic indicators such as sales, employment, business outlook and other specific topical research areas on a quarter by quarter basis. This press release relates to Q3 2019.

**Business Monitor infographic:**

Along with this press release is an infographic highlighting key findings from the Business Monitor report for use and reference.